

HOUSE BILL 19-1230

BY REPRESENTATIVE(S) Singer and Melton, Coleman, Gray, Landgraf, Michaelson Jenet, Bird, Buentello, Duran, Galindo, Herod, Valdez A., Hooton, Jaquez Lewis, Lontine; also SENATOR(S) Marble and Gonzales, Pettersen, Rodriguez, Fenberg.

CONCERNING MARIJUANA HOSPITALITY ESTABLISHMENTS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 44-12-103, amend (24); and add (13.5) and (21.4) as follows:

- **44-12-103. Definitions.** As used in this article 12, unless the context otherwise requires:
- (13.5) "MARIJUANA HOSPITALITY ESTABLISHMENT" MEANS A FACILITY, WHICH MAY BE MOBILE, LICENSED TO PERMIT THE CONSUMPTION OF MARIJUANA PURSUANT TO THIS ARTICLE 12; RULES PROMULGATED PURSUANT TO THIS ARTICLE 12; AND THE PROVISIONS OF AN ENACTED, INITIATED, OR REFERRED ORDINANCE OR RESOLUTION OF THE LOCAL JURISDICTION IN WHICH THE LICENSEE OPERATES.

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

- (21.4) "RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT" MEANS A FACILITY, WHICH CANNOT BE MOBILE, LICENSED TO PERMIT THE CONSUMPTION OF ONLY THE RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS IT HAS SOLD PURSUANT TO THE PROVISIONS OF AN ENACTED, INITIATED, OR REFERRED ORDINANCE OR RESOLUTION OF THE LOCAL JURISDICTION IN WHICH THE LICENSEE OPERATES.
- (24) "Retail marijuana establishment" means a retail marijuana store, a retail marijuana cultivation facility, a retail marijuana products manufacturer, A MARIJUANA HOSPITALITY ESTABLISHMENT, A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT, or a retail marijuana testing facility.

SECTION 2. In Colorado Revised Statutes, 44-12-202, **amend** (1) introductory portion and (2)(a); and **add** (3)(a)(XXV) and (3)(a)(XXVI) as follows:

44-12-202. Powers and duties of state licensing authority - rules.

- (1) To ensure that no marijuana grown or processed by a retail marijuana establishment is sold or otherwise transferred except by a retail marijuana store, A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT, or as authorized by law, the state licensing authority shall develop and maintain a seed-to-sale tracking system that tracks retail marijuana from either seed or immature plant stage until the marijuana or retail marijuana product is sold to a customer at a retail marijuana store OR TO A PATRON AT A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT; except that retail marijuana or retail marijuana product is PRODUCTS ARE no longer subject to the tracking system once the retail marijuana has been:
 - (2) The state licensing authority has the authority to:
- (a) Grant or refuse state licenses for the cultivation, manufacture, distribution, sale, HOSPITALITY, and testing of retail marijuana and retail marijuana products as provided by law; suspend, fine, restrict, or revoke such licenses, whether active, expired, or surrendered, upon a violation of this article 12 or any rule promulgated pursuant to this article 12; and impose any penalty authorized by this article 12 or any rule promulgated pursuant to this article 12. The state licensing authority may take any action with respect to a registration pursuant to this article 12 as it may with

respect to a license pursuant to this article 12, in accordance with the procedures established pursuant to this article 12.

- (3) (a) Rules promulgated pursuant to subsection (2)(b) of this section must include, but need not be limited to, the following subjects:
- (XXV) THE IMPLEMENTATION OF MARIJUANA HOSPITALITY AND RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSES, INCLUDING BUT NOT LIMITED TO:
 - (A) GENERAL INSURANCE LIABILITY REQUIREMENTS;
- (B) A SALES LIMIT PER TRANSACTION FOR RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS THAT MAY BE SOLD TO A PATRON OF A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT; EXCEPT THAT THE SALES LIMIT ESTABLISHED BY THE STATE LICENSING AUTHORITY MUST NOT BE AN AMOUNT LESS THAN ONE GRAM OF RETAIL MARIJUANA FLOWER, ONE-QUARTER OF ONE GRAM OF RETAIL MARIJUANA CONCENTRATE, OR A RETAIL MARIJUANA PRODUCT CONTAINING NOT MORE THAN TEN MILLIGRAMS OF ACTIVE THC;
- (C) RESTRICTIONS ON THE TYPE OF ANY RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCT AUTHORIZED TO BE SOLD INCLUDING THAT THE MARIJUANA OR PRODUCT BE MEANT FOR CONSUMPTION IN THE LICENSED PREMISES OF THE ESTABLISHMENT;
- (D) PROHIBITIONS ON ACTIVITY THAT WOULD REQUIRE ADDITIONAL LICENSURE ON THE LICENSED PREMISES, INCLUDING BUT NOT LIMITED TO SALES, MANUFACTURING, OR CULTIVATION ACTIVITY;
- (E) REQUIREMENTS FOR MARIJUANA HOSPITALITY ESTABLISHMENTS AND RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENTS OPERATING PURSUANT TO SECTION 44-12-408 OR 44-12-409 IN A RETAIL FOOD ESTABLISHMENT;
- (F) REQUIREMENTS FOR MARIJUANA HOSPITALITY ESTABLISHMENTS AND RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSEES TO DESTROY ANY UNCONSUMED MARIJUANA OR MARIJUANA PRODUCTS LEFT BEHIND BY A PATRON; AND

- (G) RULES TO ENSURE COMPLIANCE WITH SECTION 42-4-1305.5;
- (XXVI) FOR MARIJUANA HOSPITALITY ESTABLISHMENTS THAT ARE MOBILE, REGULATIONS INCLUDING BUT NOT LIMITED TO:
- (A) REGISTRATION OF VEHICLES AND PROPER DESIGNATION OF VEHICLES USED AS MOBILE LICENSED PREMISES;
 - (B) SURVEILLANCE CAMERAS INSIDE THE VEHICLES;
- (C) GLOBAL POSITIONING SYSTEM TRACKING AND ROUTE LOGGING IN AN ESTABLISHED ROUTE MANIFEST SYSTEM;
 - (D) COMPLIANCE WITH SECTION 42-4-1305.5;
- (E) Ensuring activity is not visible outside of the vehicle; and
 - (F) PROPER VENTILATION WITHIN THE VEHICLE.
- SECTION 3. In Colorado Revised Statutes, 44-12-401, amend (1)(f); and add (1)(h), (1)(i), and (5) as follows:
- 44-12-401. Classes of licenses. (1) For the purpose of regulating the cultivation, manufacture, distribution, sale, and testing of retail marijuana and retail marijuana products, the state licensing authority in its discretion, upon receipt of an application in the prescribed form, may issue and grant to the applicant a license from any of the following classes, subject to the provisions and restrictions provided by this article 12:
 - (f) Retail marijuana transporter license; and
 - (h) Marijuana hospitality establishment license; and
- (i) RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSE.
- (5) A PERSON MAY NOT OPERATE A LICENSE ISSUED PURSUANT TO THIS ARTICLE 12 AT THE SAME LOCATION AS A LICENSE OR PERMIT ISSUED PURSUANT TO ARTICLE 3, 4, OR 5 OF THIS TITLE 44.

- **SECTION 4.** In Colorado Revised Statutes, 44-12-402, add (2)(c) as follows:
- **44-12-402. Retail marijuana store license definition.** (2) (c) A RETAIL MARIJUANA STORE MAY SELL RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS TO A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSEE.
- **SECTION 5.** In Colorado Revised Statutes, 44-12-403, amend (1) as follows:
- 44-12-403. Retail marijuana cultivation facility license rules definitions. (1) A retail marijuana cultivation facility license may be issued only to a person who cultivates retail marijuana for sale and distribution to licensed retail marijuana stores, retail marijuana products manufacturing licensees, RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSEES, or other retail marijuana cultivation facilities.
- **SECTION 6.** In Colorado Revised Statutes, 44-12-404, add (1)(e) as follows:
- 44-12-404. Retail marijuana products manufacturing licenserules definitions. (1) (e) A RETAIL MARIJUANA PRODUCTS MANUFACTURER MAY SELL RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS TO A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT.
- **SECTION 7.** In Colorado Revised Statutes, **add** 44-12-408 and 44-12-409 as follows:
- **44-12-408. Marijuana hospitality establishment license rules definition.** (1) (a) On and after January 1,2020, the state licensing authority may issue a marijuana hospitality establishment license authorizing the licensee to operate a licensed premises in which marijuana may be consumed pursuant to this article 12, rules promulgated pursuant to this article 12, and the provisions of the ordinance or resolution of the local jurisdiction in which the licensee operates.
 - (b) Subject to provisions of this article $12\,\mbox{and}$ the ordinance

OR RESOLUTION OF THE LOCAL JURISDICTION IN WHICH THE LICENSEE OPERATES, A RETAIL FOOD ESTABLISHMENT AS DEFINED IN SECTION 25-4-1602 (14) THAT DOES NOT HOLD A LICENSE OR PERMIT ISSUED PURSUANT TO ARTICLE 3, 4, OR 5 OF THIS TITLE 44 MAY APPLY FOR A LICENSE TO OPERATE A MARIJUANA HOSPITALITY ESTABLISHMENT IN AN ISOLATED PORTION OF THE PREMISES OF THE RETAIL FOOD ESTABLISHMENT. A RETAIL FOOD ESTABLISHMENT OPERATING A MARIJUANA HOSPITALITY ESTABLISHMENT PURSUANT TO THIS SUBSECTION (1)(b) IS SUBJECT TO THE TERMS AND CONDITIONS OF ARTICLE 4 OF TITLE 25 AND THE RULES PROMULGATED PURSUANT TO THAT ARTICLE INCLUDING BUT NOT LIMITED TO LICENSURE REQUIREMENTS AND INSPECTION AND ENFORCEMENT AUTHORITY OF THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT. THIS SUBSECTION (1)(b) DOES NOT AUTHORIZE THE MARIJUANA HOSPITALITY ESTABLISHMENT TO ENGAGE IN THE MANUFACTURE OF MEDICAL MARIJUANA-INFUSED PRODUCTS OR RETAIL MARIJUANA PRODUCTS OR TO ADD MARIJUANA TO FOODS PRODUCED OR PROVIDED AT THE RETAIL FOOD ESTABLISHMENT.

- (2) (a) A LOCAL JURISDICTION MAY AUTHORIZE THE OPERATION OF MARIJUANA HOSPITALITY ESTABLISHMENTS WITHIN ITS JURISDICTION THROUGH THE ENACTMENT OF AN ORDINANCE OR THROUGH A REFERRED OR INITIATED MEASURE. IF A COUNTY OR CITY AND COUNTY ACTS THROUGH AN INITIATED MEASURE, THE PROPONENTS SHALL SUBMIT A PETITION SIGNED BY NOT LESS THAN FIFTEEN PERCENT OF THE REGISTERED ELECTORS IN THE COUNTY OR CITY AND COUNTY.
- (b) If a municipality, county, city, or city and county authorizes the operation of marijuana hospitality establishments, it may adopt an approval requirement that complies with the requirements of this article 12. The municipality, county, city, or city and county may require additional or more stringent requirements than those provided in this section.
- (c) If a municipality, county, city, or city and county has in effect as of the effective date of this section an ordinance or resolution related to consumption of marijuana, nothing in this section restricts the enforcement of that ordinance or resolution, and the local jurisdiction may, by ordinance or resolution, require a business operating as a place for on-site marijuana consumption to be licensed pursuant to this section.

- (3) (a) (I) Applications for a license pursuant to this section must be made to the state licensing authority on forms prepared and furnished by the state licensing authority and must set forth such information as the state licensing authority may require to enable the state licensing authority to determine whether a state license should be granted. The information must include the name and address of the applicant and any other information requested by the state licensing authority. Each application must be verified by the oath or affirmation of such person or persons as the state licensing authority may prescribe. The state license is conditioned upon local licensing authority approval.
- (II) An applicant is prohibited from operating a marijuana hospitality establishment without state and local licensing authority approval; except that a business operating a location before December 31, 2019, at which the consumption of marijuana is permitted pursuant to a local ordinance or resolution, may continue to operate until a state license is approved or denied if the business applies for a license under this section on or before December 31, 2019. Beginning January 1, 2020, any such business that has not applied for a state license shall cease operation.
- (III) IF A MARIJUANA HOSPITALITY LICENSE IS DENIED BY THE STATE, THE BUSINESS SHALL IMMEDIATELY CEASE OPERATIONS FOR WHICH A MARIJUANA HOSPITALITY LICENSE IS REQUIRED PURSUANT TO THIS ARTICLE 12. IF THE APPLICANT DOES NOT RECEIVE LOCAL LICENSING AUTHORITY APPROVAL WITHIN ONE YEAR AFTER THE DATE OF STATE LICENSING AUTHORITY APPROVAL, THE STATE LICENSE EXPIRES AND MAY NOT BE RENEWED. IF AN APPLICATION IS DENIED BY THE LOCAL LICENSING AUTHORITY OR THE APPROVAL OF THE LOCAL LICENSING AUTHORITY IS REVOKED, THE STATE LICENSING AUTHORITY SHALL REVOKE THE STATE-ISSUED LICENSE.
- (b) The state licensing authority shall deny a state license for the reasons set forth in subsection (3)(a) of this section if the licensed premises in which the applicant proposes to conduct its business does not meet the requirements of this article 12. The state licensing authority may deny a license renewal or reinstatement or an initial endorsement for good cause. For purposes of this subsection (3)(b), "good cause" means:

- (I) THE LICENSEE OR APPLICANT HAS VIOLATED, DOES NOT MEET, OR HAS FAILED TO COMPLY WITH ANY OF THE TERMS, CONDITIONS, OR PROVISIONS OF THIS ARTICLE 12; ANY RULES PROMULGATED PURSUANT TO THIS ARTICLE 12; OR ANY SUPPLEMENTAL LOCAL LAW, RULES, OR REGULATIONS;
- (II) THE LICENSEE OR APPLICANT HAS FAILED TO COMPLY WITH ANY SPECIAL TERMS OR CONDITIONS THAT WERE PLACED ON ITS LICENSE PURSUANT TO AN ORDER OF THE STATE OR LOCAL LICENSING AUTHORITY; OR
- (III) THE LICENSED PREMISES HAS BEEN OPERATED IN A MANNER THAT ADVERSELY AFFECTS THE PUBLIC HEALTH OR THE SAFETY OF THE IMMEDIATE NEIGHBORHOOD IN WHICH THE ESTABLISHMENT IS LOCATED.
- (c) A MARIJUANA HOSPITALITY ESTABLISHMENT LICENSE IS VALID FOR A PERIOD TO BE ESTABLISHED BY RULE OF THE STATE LICENSING AUTHORITY, BUT FOR NO LONGER THAN ONE YEAR, AND THE LICENSE MAY BE RENEWED. THE STATE LICENSING AUTHORITY SHALL ESTABLISH BY RULE THE AMOUNT OF THE APPLICATION FEE AND RENEWAL FEE FOR THE LICENSE.
- (d) The state licensing authority shall maintain a list of all marijuana hospitality establishments in the state and shall make the list available on its website.
 - (4) A MARIJUANA HOSPITALITY ESTABLISHMENT SHALL NOT:
- (a) ENGAGE IN OR PERMIT THE SALE OR EXCHANGE FOR REMUNERATION OF RETAIL OR MEDICAL MARIJUANA, RETAIL MARIJUANA PRODUCTS, OR MEDICAL MARIJUANA-INFUSED PRODUCTS IN THE LICENSED PREMISES;
- (b) ALLOW ON-DUTY EMPLOYEES OF THE ESTABLISHMENT TO CONSUME ANY MARIJUANA IN THE LICENSED PREMISES OF THE ESTABLISHMENT;
- (c) DISTRIBUTE OR ALLOW DISTRIBUTION OF FREE SAMPLES OF MARIJUANA IN THE LICENSED PREMISES OF THE ESTABLISHMENT;
- (d) Allow the consumption of alcohol on the licensed premises;

PAGE 8-HOUSE BILL 19-1230

- (e) ALLOW THE SMOKING OF TOBACCO OR TOBACCO PRODUCTS IN THE LICENSED PREMISES OF THE ESTABLISHMENT;
- (f) ALLOW THE USE OF ANY DEVICE USING ANY LIQUID PETROLEUM GAS, A BUTANE TORCH, A BUTANE LIGHTER, OR MATCHES IN THE LICENSED PREMISES IF PROHIBITED BY LOCAL ORDINANCE OR RESOLUTION;
- (g) ALLOW ANY ACTIVITY THAT WOULD REQUIRE AN ADDITIONAL LICENSE UNDER THIS ARTICLE 12 IN THE LICENSED PREMISES OF THE ESTABLISHMENT, INCLUDING BUT NOT LIMITED TO SALES, MANUFACTURING, OR CULTIVATION;
- (h) Knowingly Permit any activity or acts of disorderly conduct as described in Section 18-9-106;
- (i) PERMIT THE USE OR CONSUMPTION OF MARIJUANA BY A PATRON WHO DISPLAYS ANY VISIBLE SIGNS OF INTOXICATION;
- (j) PERMIT ROWDINESS, UNDUE NOISE, OR OTHER DISTURBANCES OR ACTIVITY OFFENSIVE TO THE AVERAGE CITIZEN OR TO THE RESIDENTS OF THE NEIGHBORHOOD IN WHICH THE LICENSED PREMISES IS LOCATED; OR
- (k) Admit into the licensed premises of the establishment any person who is under twenty-one years of age.
 - (5) A MARIJUANA HOSPITALITY ESTABLISHMENT SHALL:
- (a) OPERATE THE ESTABLISHMENT IN A DECENT, ORDERLY, AND RESPECTABLE MANNER;
- (b) REQUIRE ALL EMPLOYEES OF THE ESTABLISHMENT TO SUCCESSFULLY COMPLETE AN ANNUAL RESPONSIBLE VENDOR TRAINING PROGRAM AUTHORIZED PURSUANT TO SECTION 44-11-1101;
- (c) Ensure that the display and consumption of any marijuana is not visible from outside of the licensed premises of the establishment;
- (d) EDUCATE CONSUMERS OF MARIJUANA BY PROVIDING INFORMATIONAL MATERIALS REGARDING THE SAFE CONSUMPTION OF

PAGE 9-HOUSE BILL 19-1230

MARIJUANA. THE MATERIALS MUST BE BASED ON THE REQUIREMENTS ESTABLISHED BY THE MARIJUANA EDUCATIONAL OVERSIGHT COMMITTEE, ESTABLISHED PURSUANT TO SECTION 24-20-112 (4), AND ON THE RELEVANT RESEARCH FROM THE PANEL OF HEALTH CARE PROFESSIONALS APPOINTED PURSUANT TO SECTION 25-1.5-110. NOTHING IN THIS SUBSECTION (5)(d) PROHIBITS A LOCAL JURISDICTION FROM ADOPTING ADDITIONAL REQUIREMENTS FOR EDUCATION ON SAFE CONSUMPTION.

- (e) Maintain a record of all educational materials required by subsection (5)(d) of this section in the licensed premises for inspection by state and local licensing authorities and law enforcement; and
- (f) If an emergency requires law enforcement, firefighters, emergency medical service providers, or other public safety personnel to enter a marijuana hospitality establishment, ensure that all employees and patrons of the establishment cease all consumption and other activities until such personnel have completed their investigation or services and have left the licensed premises.
- (6) A MARIJUANA HOSPITALITY ESTABLISHMENT AND ITS EMPLOYEES MAY REMOVE AN INDIVIDUAL FROM THE ESTABLISHMENT FOR ANY REASON, INCLUDING A PATRON WHO DISPLAYS ANY VISIBLE SIGNS OF INTOXICATION.
- 44-12-409. Retail marijuana hospitality and sales establishment license rules definition. (1) (a) On and after January 1, 2020, the Statelicensing authority may issue a retail marijuana hospitality and sales establishment license authorizing the licensee to operate a licensed premises in which marijuana may be sold and consumed pursuant to this article 12, rules promulgated pursuant to this article 12, and the provisions of the ordinance or resolution of the local jurisdiction in which the licensee operates.
- (b) Subject to provisions of this article 12 and the ordinance or resolution of the local jurisdiction in which the licensee operates, a retail food establishment as defined in section 25-4-1602 (14) that does not hold a license or permit issued pursuant to article 3, 4, or 5 of this title 44 may apply for a license to operate a retail marijuana hospitality and sales establishment

IN AN ISOLATED PORTION OF THE PREMISES OF THE RETAIL FOOD ESTABLISHMENT. A RETAIL FOOD ESTABLISHMENT OPERATING A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT PURSUANT TO THIS SUBSECTION (1)(b) IS SUBJECT TO THE TERMS AND CONDITIONS OF ARTICLE 4 OF TITLE 25 AND THE RULES PROMULGATED PURSUANT TO THAT ARTICLE INCLUDING BUT NOT LIMITED TO LICENSURE REQUIREMENTS AND INSPECTION AND ENFORCEMENT AUTHORITY OF THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT. THIS SUBSECTION (1)(b) DOES NOT AUTHORIZE THE RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT TO ENGAGE IN THE MANUFACTURE OF MEDICAL MARIJUANA-INFUSED PRODUCTS OR RETAIL MARIJUANA PRODUCTS OR TO ADD MARIJUANA TO FOODS PRODUCED OR PROVIDED AT THE RETAIL FOOD ESTABLISHMENT.

- (2) (a) A LOCAL JURISDICTION MAY AUTHORIZE THE OPERATION OF RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENTS WITHIN ITS JURISDICTION THROUGH THE ENACTMENT OF AN ORDINANCE OR THROUGH A REFERRED OR INITIATED MEASURE. IF A COUNTY OR CITY AND COUNTY ACTS THROUGH AN INITIATED MEASURE, THE PROPONENTS SHALL SUBMIT A PETITION SIGNED BY NOT LESS THAN FIFTEEN PERCENT OF THE REGISTERED ELECTORS IN THE COUNTY OR CITY AND COUNTY.
- (b) If a municipality, county, city, or city and county authorizes the operation of retail marijuana hospitality and sales establishments, it may adopt an approval requirement that complies with the requirements of this article 12. The municipality, county, city, or city and county may require additional or more stringent requirements than those provided in this section.
- (3) (a) APPLICATIONS FOR A LICENSE PURSUANT TO THIS SECTION MUST BE MADE TO THE STATE LICENSING AUTHORITY ON FORMS PREPARED AND FURNISHED BY THE STATE LICENSING AUTHORITY AND MUST SET FORTH SUCH INFORMATION AS THE STATE LICENSING AUTHORITY MAY REQUIRE TO ENABLE THE STATE LICENSING AUTHORITY TO DETERMINE WHETHER A STATE LICENSE SHOULD BE GRANTED. THE INFORMATION MUST INCLUDE THE NAME AND ADDRESS OF THE APPLICANT AND ANY OTHER INFORMATION REQUESTED BY THE STATE LICENSING AUTHORITY. EACH APPLICATION MUST BE VERIFIED BY THE OATH OR AFFIRMATION OF SUCH PERSON OR PERSONS AS THE STATE LICENSING AUTHORITY MAY PRESCRIBE. THE STATE LICENSE IS CONDITIONED UPON LOCAL LICENSING AUTHORITY APPROVAL. AN APPLICANT IS PROHIBITED FROM OPERATING A RETAIL MARIJUANA HOSPITALITY AND SALES

ESTABLISHMENT WITHOUT STATE AND LOCAL LICENSING AUTHORITY APPROVAL. IF THE APPLICANT DOES NOT RECEIVE LOCAL LICENSING AUTHORITY APPROVAL WITHIN ONE YEAR AFTER THE DATE OF STATE LICENSING AUTHORITY APPROVAL, THE STATE LICENSE EXPIRES AND MAY NOT BE RENEWED. IF AN APPLICATION IS DENIED BY THE LOCAL LICENSING AUTHORITY OR THE APPROVAL OF THE LOCAL LICENSING AUTHORITY IS REVOKED, THE STATE LICENSING AUTHORITY SHALL REVOKE THE STATE-ISSUED LICENSE.

- (b) The state licensing authority shall deny a state license for the reasons set forth in subsection (3)(a) of this section if the licensed premises in which the applicant proposes to conduct its business does not meet the requirements of this article 12. The state licensing authority may deny a license renewal or reinstatement or an initial endorsement for good cause. For purposes of this subsection (3)(b), "Good cause" means:
- (I) The Licensee or applicant has violated, does not meet, or has failed to comply with any of the terms, conditions, or provisions of this article 12; any rules promulgated pursuant to this article 12; or any supplemental local law, rules, or regulations;
- (II) THE LICENSEE OR APPLICANT HAS FAILED TO COMPLY WITH ANY SPECIAL TERMS OR CONDITIONS THAT WERE PLACED ON ITS LICENSE PURSUANT TO AN ORDER OF THE STATE OR LOCAL LICENSING AUTHORITY; OR
- (III) THE LICENSED PREMISES HAS BEEN OPERATED IN A MANNER THAT ADVERSELY AFFECTS THE PUBLIC HEALTH OR THE SAFETY OF THE IMMEDIATE NEIGHBORHOOD IN WHICH THE ESTABLISHMENT IS LOCATED.
- (c) A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSE IS VALID FOR A PERIOD TO BE ESTABLISHED BY RULE OF THE STATE LICENSING AUTHORITY, BUT NO LONGER THAN ONE YEAR, AND THE LICENSE MAY BE RENEWED. THE STATE LICENSING AUTHORITY SHALL ESTABLISH BY RULE THE AMOUNT OF THE APPLICATION FEE AND RENEWAL FEE FOR THE LICENSE.
- (d) THE STATE LICENSING AUTHORITY SHALL MAINTAIN A LIST OF ALL RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENTS IN THE STATE

- (4) A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSEE SHALL NOT:
- (a) ENGAGE IN MULTIPLE SALES TRANSACTIONS TO THE SAME PATRON DURING THE SAME BUSINESS DAY WHEN THE ESTABLISHMENT'S EMPLOYEE KNOWS OR REASONABLY SHOULD HAVE KNOWN THAT THE SALES TRANSACTION WOULD RESULT IN THE PATRON POSSESSING MORE THAN THE SALES LIMIT ESTABLISHED BY THE STATE LICENSING AUTHORITY;
- (b) ALLOW ON-DUTY EMPLOYEES OF THE ESTABLISHMENT TO CONSUME ANY MARIJUANA IN THE LICENSED PREMISES;
- (c) DISTRIBUTE OR ALLOW DISTRIBUTION OF FREE SAMPLES OF MARIJUANA IN THE LICENSED PREMISES OF THE ESTABLISHMENT;
- (d) SELL ANY RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS THAT CONTAIN NICOTINE OR, IF THE SALE OF ALCOHOL WOULD REQUIRE A LICENSE OR PERMIT PURSUANT TO ARTICLE 3, 4, OR 5 OF THIS TITLE 44, ALCOHOL;
- (e) ALLOW THE CONSUMPTION OF ALCOHOL ON THE LICENSED PREMISES;
- (f) ALLOW THE SMOKING OF TOBACCO OR TOBACCO PRODUCTS IN THE LICENSED PREMISES OF THE ESTABLISHMENT;
- (g) ALLOW THE USE OF ANY DEVICE USING ANY LIQUID PETROLEUM GAS, A BUTANE TORCH, A BUTANE LIGHTER, OR MATCHES IN THE LICENSED PREMISES IF PROHIBITED BY LOCAL ORDINANCE OR RESOLUTION;
- (h) Allow any activity that would require an additional license under this article 12 in the licensed premises of the establishment, including but not limited to manufacturing or cultivation activity;
- (i) Knowingly Permit any activity or acts of disorderly conduct as described in Section 18-9-106;

- (j) Sell, serve, or permit the sale or serving of retail marijuana or retail marijuana products to any patron who shows signs of visible intoxication;
- (k) PERMIT ROWDINESS, UNDUE NOISE, OR OTHER DISTURBANCES OR ACTIVITY OFFENSIVE TO THE AVERAGE CITIZEN OR TO THE RESIDENTS OF THE NEIGHBORHOOD IN WHICH THE LICENSED PREMISES IS LOCATED; OR
- (1) ADMIT INTO THE LICENSED PREMISES OF A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT ANY PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE.
- (5) A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSEE SHALL:
- (a) TRACK ALL OF ITS RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS FROM THE POINT THAT THEY ARE TRANSFERRED FROM A RETAIL MARIJUANA STORE, RETAIL MARIJUANA PRODUCTS MANUFACTURER, OR RETAIL MARIJUANA CULTIVATION FACILITY TO THE POINT OF SALE TO ITS PATRONS;
- (b) Limit a patron to one transaction of no more than the sales limit set by the state licensing authority by rule pursuant to section 44-12-202 (3)(a)(XXV);
- (c) Before allowing a patron to leave the licensed premises with any retail marijuana or retail marijuana products, package and label the retail marijuana or retail marijuana products in accordance with procedures developed by the establishment that comply with the requirements of section 44-12-202 (3)(a)(VIII) and (3)(d)(II);
- (d) OPERATE THE ESTABLISHMENT IN A DECENT, ORDERLY, AND RESPECTABLE MANNER;
- (e) REQUIRE ALL EMPLOYEES OF THE ESTABLISHMENT TO SUCCESSFULLY COMPLETE AN ANNUAL RESPONSIBLE VENDOR TRAINING PROGRAM AUTHORIZED PURSUANT TO SECTION 44-11-1101;
 - (f) Ensure that the display and consumption of any retail

PAGE 14-HOUSE BILL 19-1230

MARIJUANA OR RETAIL MARIJUANA PRODUCT IS NOT VISIBLE FROM OUTSIDE OF THE ESTABLISHMENT;

- (g) Educate consumers of marijuana by providing informational materials regarding the safe consumption of marijuana. The materials must be based on the requirements established by the marijuana educational oversight committee, established pursuant to section 24-20-112 (4), and on the relevant research from the panel of health care professionals appointed pursuant to section 25-1.5-110. Nothing in this subsection (5)(g) prohibits a local jurisdiction from adopting additional requirements for education on safe consumption.
- (h) MAINTAINING A RECORD OF ALL EDUCATIONAL MATERIALS REQUIRED BY SUBSECTION (5)(g) OF THIS SECTION IN THE LICENSED PREMISES FOR INSPECTION BY STATE AND LOCAL LICENSING AUTHORITIES AND LAW ENFORCEMENT; AND
- (i) If an emergency requires law enforcement, firefighters, emergency medical service providers, or other public safety personnel to enter a retail marijuana hospitality and sales establishment, ensure that all employees and patrons of the establishment cease all sales, consumption and other activities until such personnel have completed their investigation or services and have left the licensed premises.
- (6) A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT AND ITS EMPLOYEES MAY REMOVE AN INDIVIDUAL FROM THE ESTABLISHMENT FOR ANY REASON, INCLUDING A PATRON WHO DISPLAYS ANY VISIBLE SIGNS OF INTOXICATION.
- (7) A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT MAY PURCHASE RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS FROM ANY RETAIL MARIJUANA STORE, RETAIL MARIJUANA CULTIVATION FACILITY, OR RETAIL MARIJUANA PRODUCTS MANUFACTURER.
- **SECTION 8.** In Colorado Revised Statutes, 44-12-901, **amend** (1), (3)(c), (3)(d), and (4)(g); and **add** (3)(e) as follows:
- **44-12-901.** Unlawful acts exceptions. (1) Except IN THE PAGE 15-HOUSE BILL 19-1230

LICENSED PREMISES OF A MARIJUANA HOSPITALITY ESTABLISHMENT LICENSED PURSUANT TO SECTION 44-12-408 OR A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSED PURSUANT TO SECTION 44-12-409 OR as otherwise provided in this article 12, it is unlawful for a person to consume retail marijuana or retail marijuana products in a licensed retail marijuana establishment, and it is unlawful for a retail marijuana licensee to allow retail marijuana or retail marijuana products to be consumed upon its licensed premises.

- (3) It is unlawful for a person licensed pursuant to this article 12:
- (c) To fail to report a transfer required by section 44-12-309 (10);
- (d) To fail to report the name of or a change in managers as required by section 44-12-309 (11); OR
- (e) TO ALLOW THE CONSUMPTION OF ALCOHOLIC BEVERAGES ON THE LICENSED PREMISES.
- (4) It is unlawful for any person licensed to sell retail marijuana or retail marijuana products pursuant to this article 12:
- (g) EXCEPT IN THE LICENSED PREMISES OF A MARIJUANA HOSPITALITY ESTABLISHMENT LICENSED PURSUANT TO SECTION 44-12-408 OR A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSED PURSUANT TO SECTION 44-12-409, to have on the licensed premises any retail marijuana, retail marijuana products, or marijuana paraphernalia that shows evidence of the retail marijuana having been consumed or partially consumed;
- **SECTION 9.** In Colorado Revised Statutes, 18-18-406, add (5)(b)(IV) and (5)(b)(V) as follows:
- 18-18-406. Offenses related to marijuana and marijuana concentrate definitions. (5) (b) (IV) Public display, consumption, or use of marijuana or marijuana concentrate pursuant to the provisions of section 44-12-408, when such display, consumption, or use is within the licensed premises of a marijuana hospitality establishment licensed pursuant to section 44-12-408, is not a

VIOLATION OF THIS SUBSECTION (5).

- (V) Public display, consumption, or use of retail marijuana or retail marijuana concentrate pursuant to the provisions of section 44-12-409, when such display, consumption, or use is within the licensed premises of a retail marijuana hospitality and sales establishment licensed pursuant to section 44-12-409 and when an individual's display, consumption, or use does not exceed the sales limit established by the state licensing authority by rule pursuant to section 44-12-202 (3)(a)(XXV)(B), is not a violation of this subsection (5).
- **SECTION 10.** In Colorado Revised Statutes, 25-14-205, amend (1) introductory portion, (1)(i), and (1)(k)(I)(C); and add (1)(l) as follows:
- **25-14-205.** Exceptions to smoking restrictions. (1) This part 2 shall DOES not apply to:
- (i) A private, nonresidential building on a farm or ranch, as defined in section 39-1-102, C.R.S., that has annual gross income of less than five hundred thousand dollars; or
 - (k) (I) The areas of assisted living facilities:
 - (C) To which access is restricted to the residents or their guests; OR
- (1) IF AUTHORIZED BY LOCAL ORDINANCE, LICENSE, OR REGULATION, THE LICENSED PREMISES OF A MARIJUANA HOSPITALITY ESTABLISHMENT LICENSED PURSUANT TO SECTION 44-12-408 OR A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSED PURSUANT TO SECTION 44-12-409; EXCEPT THAT THIS EXCEPTION ONLY APPLIES TO THE SMOKING OF MARIJUANA AND DOES NOT ALLOW THE SMOKING OF TOBACCO WITHIN SUCH PREMISES.
- **SECTION 11.** In Colorado Revised Statutes, 44-11-1101, **amend** (2) introductory portion, (2)(b)(IV), and (2)(b)(V); and **add** (2)(b)(VI) as follows:
- 44-11-1101. Responsible vendor program standards designation. (2) An approved training program shall MUST contain, at a

minimum, the following standards and shall MUST be taught in a classroom setting in a minimum of a two-hour period:

- (b) A core curriculum of pertinent statutory and regulatory provisions, which curriculum includes, but need not be limited to:
- (IV) Acceptable forms of identification, including patient registry cards and associated documents and procedures; and
- (V) Local and state licensing and enforcement, which may include, but need not be limited to, key statutes and rules affecting patients, owners, managers, and employees; AND
- (VI) INFORMATION ON SERVING SIZE, THC AND CANNABINOID POTENCY, AND IMPAIRMENT.
- SECTION 12. In Colorado Revised Statutes, 44-10-103, amend as relocated by Senate Bill 19-224 (58); and add as relocated by Senate Bill 19-224 (33.5) and (60.5) as follows:
- **44-10-103. Definitions.** As used in this article 10, unless the context otherwise requires:
- (33.5) "MARIJUANA HOSPITALITY BUSINESS" MEANS A FACILITY, WHICH MAY BE MOBILE, LICENSED TO PERMIT THE CONSUMPTION OF MARIJUANA PURSUANT TO THIS ARTICLE 10; RULES PROMULGATED PURSUANT TO THIS ARTICLE 10; AND THE PROVISIONS OF AN ENACTED, INITIATED, OR REFERRED ORDINANCE OR RESOLUTION OF THE LOCAL JURISDICTION IN WHICH THE LICENSEE OPERATES.
- (58) "Retail marijuana business" means a retail marijuana store, a retail marijuana cultivation facility, a retail marijuana products manufacturer, A MARIJUANA HOSPITALITY BUSINESS, A RETAIL MARIJUANA HOSPITALITY AND SALES BUSINESS, a retail marijuana testing facility, a retail marijuana business operator, or a retail marijuana transporter licensed pursuant to this article 10.
- (60.5) "RETAIL MARIJUANA HOSPITALITY AND SALES BUSINESS" MEANS A FACILITY, WHICH CANNOT BE MOBILE, LICENSED TO PERMIT THE CONSUMPTION OF ONLY THE RETAIL MARIJUANA OR RETAIL MARIJUANA

PRODUCTS IT HAS SOLD PURSUANT TO THE PROVISIONS OF AN ENACTED, INITIATED, OR REFERRED ORDINANCE OR RESOLUTION OF THE LOCAL JURISDICTION IN WHICH THE LICENSEE OPERATES.

SECTION 13. In Colorado Revised Statutes, 44-10-202, amend as relocated by Senate Bill 19-224 (1)(a) introductory portion and (1)(b) as follows:

- 44-10-202. Powers and duties of state licensing authority rules legislative declaration. (1) Powers and duties. The state licensing authority shall:
- (a) Develop and maintain a seed-to-sale tracking system that tracks regulated marijuana from either the seed or immature plant stage until the regulated marijuana or regulated marijuana product is sold to a patient at a medical marijuana store or to a customer at a retail marijuana store OR A RETAIL MARIJUANA HOSPITALITY AND SALES BUSINESS to ensure that no regulated marijuana grown or processed by a medical marijuana business or retail marijuana business is sold or otherwise transferred except by a medical or retail marijuana store OR A RETAIL MARIJUANA HOSPITALITY AND SALES BUSINESS; except that the medical marijuana or medical marijuana product is no longer subject to the tracking system once the medical marijuana or medical marijuana product has been:
- (b) Grant or refuse state licenses for the cultivation, manufacture, distribution, sale, HOSPITALITY, and testing of regulated marijuana and regulated marijuana products as provided by law; suspend, fine, restrict, or revoke such licenses, whether active, expired, or surrendered, upon a violation of this article 10 or any rule promulgated pursuant to this article 10; and impose any penalty authorized by this article 10 or any rule promulgated pursuant to this article 10. The state licensing authority may take any action with respect to a registration pursuant to this article 10 as it may with respect to a license pursuant to this article 10, in accordance with the procedures established pursuant to this article 10.

SECTION 14. In Colorado Revised Statutes, 44-10-203, amend as relocated by Senate Bill 19-224 (2)(aa); and add as relocated by Senate Bill 19-224 (2)(ff) and (2)(gg) as follows:

44-10-203. State licensing authority - rules. (2) Mandatory

rule-making. Rules promulgated pursuant to section 44-10-202 (1)(c) must include but need not be limited to the following subjects:

- (aa) The implementation of an accelerator program including but not limited to rules to establish severed liability for licensees operating on the same physical premises, severed custodianship of regulated products, protections of the intellectual property of the accelerator licensee, incentives for licensees endorsed as accelerators, and additional requirements if a person applying for an accelerator endorsement has less than two years experience operating a licensed facility under this title 10;
- (ff) The implementation of marijuana hospitality and retail marijuana hospitality and sales business licenses, including but not limited to:
 - (I) GENERAL INSURANCE LIABILITY REQUIREMENTS;
- (II) A SALES LIMIT PER TRANSACTION FOR RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS THAT MAY BE SOLD TO A PATRON OF A RETAIL MARIJUANA HOSPITALITY AND SALES BUSINESS; EXCEPT THAT THE SALES LIMIT ESTABLISHED BY THE STATE LICENSING AUTHORITY MUST NOT BE AN AMOUNT LESS THAN ONE GRAM OF RETAIL MARIJUANA FLOWER, ONE-QUARTER OF ONE GRAM OF RETAIL MARIJUANA CONCENTRATE, OR A RETAIL MARIJUANA PRODUCT CONTAINING NOT MORE THAN TEN MILLIGRAMS OF ACTIVE THC;
- (III) RESTRICTIONS ON THE TYPE OF ANY RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCT AUTHORIZED TO BE SOLD INCLUDING THAT THE MARIJUANA OR PRODUCT BE MEANT FOR CONSUMPTION IN THE LICENSED PREMISES OF THE BUSINESS;
- (IV) PROHIBITIONS ON ACTIVITY THAT WOULD REQUIRE ADDITIONAL LICENSURE ON THE LICENSED PREMISES, INCLUDING BUT NOT LIMITED TO SALES, MANUFACTURING, OR CULTIVATION ACTIVITY;
- (V) REQUIREMENTS FOR MARIJUANA HOSPITALITY BUSINESSES AND RETAIL MARIJUANA HOSPITALITY AND SALES BUSINESSES OPERATING PURSUANT TO SECTION 44-10-609 OR 44-10-610 IN A RETAIL FOOD BUSINESS;
 - (VI) REQUIREMENTS FOR MARIJUANA HOSPITALITY BUSINESSES AND

RETAIL MARIJUANA HOSPITALITY AND SALES BUSINESS LICENSEES TO DESTROY ANY UNCONSUMED MARIJUANA OR MARIJUANA PRODUCTS LEFT BEHIND BY A PATRON; AND

- (VII) Rules to ensure compliance with section 42-4-1305.5; and
- (gg) FOR MARIJUANA HOSPITALITY BUSINESSES THAT ARE MOBILE, REGULATIONS INCLUDING BUT NOT LIMITED TO:
- (I) REGISTRATION OF VEHICLES AND PROPER DESIGNATION OF VEHICLES USED AS MOBILE LICENSED PREMISES;
 - (II) SURVEILLANCE CAMERAS INSIDE THE VEHICLES;
- (III) GLOBAL POSITIONING SYSTEM TRACKING AND ROUTE LOGGING IN AN ESTABLISHED ROUTE MANIFEST SYSTEM;
 - (IV) COMPLIANCE WITH SECTION 42-4-1305.5;
- (V) Ensuring activity is not visible outside of the vehicle; and
 - (VI) PROPER VENTILATION WITHIN THE VEHICLE.

SECTION 15. In Colorado Revised Statutes, 44-10-305, amend as relocated by Senate Bill 19-224 (2)(b) as follows:

44-10-305. State licensing authority - application and issuance procedures - repeal. (2) (b) (I) The state licensing authority may issue a state license to an applicant pursuant to this section for a retail marijuana business upon completion of the applicable criminal history background check associated with the application, and the state license is conditioned upon local jurisdiction approval. A license applicant is prohibited from operating a licensed retail marijuana business without state and local jurisdiction approval. If the applicant does not receive local jurisdiction approval within one year from the date of state licensing authority approval, the state license expires and may not be renewed. If an application is denied by the local licensing authority, the state licensing authority shall revoke the state-issued license.

- (II) (A) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (2)(B)(I) OF THIS SECTION, A BUSINESS OPERATING A LOCATION BEFORE DECEMBER 31, 2019, AT WHICH THE CONSUMPTION OF MARIJUANA IS PERMITTED PURSUANT TO A LOCAL ORDINANCE OR RESOLUTION, MAY CONTINUE TO OPERATE UNTIL A STATE LICENSE IS APPROVED OR DENIED IF THE BUSINESS APPLIES FOR A LICENSE UNDER THIS SECTION ON OR BEFORE DECEMBER 31, 2019. BEGINNING ON JANUARY 1, 2020, ANY SUCH BUSINESS THAT HAS NOT APPLIED FOR A STATE LICENSE SHALL CEASE OPERATION.
- (B) This subsection (2)(b)(II) is repealed, effective July 1, 2021.
- SECTION 16. In Colorado Revised Statutes, 44-10-401, amend as relocated by Senate Bill 19-224 (1) and (2)(b)(VII); and add as relocated by Senate Bill 19-224 (2)(b)(IX), (2)(b)(X), and (7) as follows:
- 44-10-401. Classes of licenses. (1) For the purpose of regulating the cultivation, manufacture, distribution, HOSPITALITY, and sale of regulated marijuana and regulated marijuana products, the state licensing authority in its discretion, upon application in the prescribed form made to it, may issue and grant to the applicant a license from any of the following classes, subject to the provisions and restrictions provided by this article 10.
 - (2) (b) The following are retail marijuana licenses:
 - (VII) Retail marijuana accelerator cultivator license; and
 - (IX) MARIJUANA HOSPITALITY BUSINESS LICENSE; AND
 - $(X) \ Retail \, \text{marijuana hospitality and sales business license.} \\$
- (7) A PERSON MAY NOT OPERATE A LICENSE ISSUED PURSUANT TO THIS ARTICLE 10 AT THE SAME LOCATION AS A LICENSE OR PERMIT ISSUED PURSUANT TO ARTICLE 3, 4, OR 5 OF THIS TITLE 44.
- SECTION 17. In Colorado Revised Statutes, 44-10-601, add as relocated by Senate Bill 19-224 (2)(c) as follows:
- 44-10-601. Retail marijuana store license rules definition. (2) (c) A RETAIL MARIJUANA STORE MAY SELL RETAIL MARIJUANA AND

RETAIL MARIJUANA PRODUCTS TO A RETAIL MARIJUANA HOSPITALITY AND SALES BUSINESS LICENSEE.

SECTION 18. In Colorado Revised Statutes, 44-10-602, amend as relocated by Senate Bill 19-224 (1) as follows:

44-10-602. Retail marijuana cultivation facility license - rules - definitions. (1) A retail marijuana cultivation facility license may be issued only to a person who cultivates retail marijuana for sale and distribution to licensed retail marijuana stores, retail marijuana products manufacturer licensees, RETAIL MARIJUANA HOSPITALITY AND SALES BUSINESS, or other retail marijuana cultivation facilities.

SECTION 19. In Colorado Revised Statutes, 44-10-603, add as relocated by Senate Bill 19-224 (1)(e) as follows:

44-10-603. Retail marijuana products manufacturer license - rules - definition. (1) (e) A RETAIL MARIJUANA PRODUCTS MANUFACTURER MAY SELL RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS TO A RETAIL MARIJUANA HOSPITALITY AND SALES BUSINESS.

SECTION 20. In Colorado Revised Statutes, add to article 10 as relocated by Senate Bill 19-224 44-10-609 and 44-10-610 as follows:

- **44-10-609. Marijuana hospitality business license rules definition.** (1) (a) The state licensing authority may issue a marijuana hospitality business license authorizing the licensee to operate a licensed premises in which marijuana may be consumed pursuant to this article 10, rules promulgated pursuant to this article 10, and the provisions of the ordinance or resolution of the local jurisdiction in which the licensee operates.
- (b) Subject to provisions of this article 10 and the ordinance or resolution of the local jurisdiction in which the licensee operates, a retail food business as defined in section 25-4-1602 (14) that does not hold a license or permit issued pursuant to article 3, 4, or 5 of this title 44 may apply for a license to operate a marijuana hospitality business in an isolated portion of the premises of the retail food business. A retail food business operating a marijuana hospitality business pursuant to this

SUBSECTION (1)(b) IS SUBJECT TO THE TERMS AND CONDITIONS OF ARTICLE 4 OF TITLE 25 AND THE RULES PROMULGATED PURSUANT TO THAT ARTICLE, INCLUDING BUT NOT LIMITED TO LICENSURE REQUIREMENTS AND INSPECTION AND ENFORCEMENT AUTHORITY OF THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT. THIS SUBSECTION (1)(b) DOES NOT AUTHORIZE THE MARIJUANA HOSPITALITY BUSINESS TO ENGAGE IN THE MANUFACTURE OF MEDICAL MARIJUANA-INFUSED PRODUCTS OR RETAIL MARIJUANA PRODUCTS OR TO ADD MARIJUANA TO FOODS PRODUCED OR PROVIDED AT THE RETAIL FOOD BUSINESS.

- (c) If a municipality, county, city, or city and county has in effect as of the effective date of this section an ordinance or resolution related to consumption of marijuana, nothing in this section restricts the enforcement of that ordinance or resolution, and the local jurisdiction may, by ordinance or resolution, require a business operating as a place for on-site marijuana consumption to be licensed pursuant to this section.
- (d) THE STATE LICENSING AUTHORITY SHALL MAINTAIN A LIST OF ALL MARIJUANA HOSPITALITY BUSINESSES IN THE STATE AND SHALL MAKE THE LIST AVAILABLE ON ITS WEBSITE.
 - (2) A MARIJUANA HOSPITALITY BUSINESS SHALL NOT:
- (a) ENGAGE IN OR PERMIT THE SALE OR EXCHANGE FOR REMUNERATION OF RETAIL OR MEDICAL MARIJUANA, RETAIL MARIJUANA PRODUCTS, OR MEDICAL MARIJUANA-INFUSED PRODUCTS IN THE LICENSED PREMISES;
- (b) ALLOW ON-DUTY EMPLOYEES OF THE BUSINESS TO CONSUME ANY MARIJUANA IN THE LICENSED PREMISES OF THE BUSINESS;
- (c) DISTRIBUTE OR ALLOW DISTRIBUTION OF FREE SAMPLES OF MARIJUANA IN THE LICENSED PREMISES OF THE BUSINESS;
- (d) ALLOW THE CONSUMPTION OF ALCOHOL ON THE LICENSED PREMISES;
- (e) ALLOW THE SMOKING OF TOBACCO OR TOBACCO PRODUCTS IN THE LICENSED PREMISES OF THE BUSINESS;

- (f) ALLOW THE USE OF ANY DEVICE USING ANY LIQUID PETROLEUM GAS, A BUTANE TORCH, A BUTANE LIGHTER, OR MATCHES IN THE LICENSED PREMISES IF PROHIBITED BY LOCAL ORDINANCE OR RESOLUTION;
- (g) ALLOW ANY ACTIVITY THAT WOULD REQUIRE AN ADDITIONAL LICENSE UNDER THIS ARTICLE 10 IN THE LICENSED PREMISES OF THE BUSINESS, INCLUDING BUT NOT LIMITED TO SALES, MANUFACTURING, OR CULTIVATION;
- (h) Knowingly permit any activity or acts of disorderly conduct as described in section 18-9-106;
- (i) PERMIT THE USE OR CONSUMPTION OF MARIJUANA BY A PATRON WHO DISPLAYS ANY VISIBLE SIGNS OF INTOXICATION;
- (j) PERMIT ROWDINESS, UNDUE NOISE, OR OTHER DISTURBANCES OR ACTIVITY OFFENSIVE TO THE AVERAGE CITIZEN OR TO THE RESIDENTS OF THE NEIGHBORHOOD IN WHICH THE LICENSED PREMISES IS LOCATED; OR
- (k) ADMIT INTO THE LICENSED PREMISES OF THE BUSINESS ANY PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE.
 - (3) A MARIJUANA HOSPITALITY BUSINESS SHALL:
- (a) OPERATE THE BUSINESS IN A DECENT, ORDERLY, AND RESPECTABLE MANNER;
- (b) REQUIRE ALL EMPLOYEES OF THE BUSINESS TO SUCCESSFULLY COMPLETE AN ANNUAL RESPONSIBLE VENDOR TRAINING PROGRAM AUTHORIZED PURSUANT TO SECTION 44-10-1201;
- (c) Ensure that the display and consumption of any marijuana is not visible from outside of the licensed premises of the business;
- (d) EDUCATE CONSUMERS OF MARIJUANA BY PROVIDING INFORMATIONAL MATERIALS REGARDING THE SAFE CONSUMPTION OF MARIJUANA. THE MATERIALS MUST BE BASED ON THE REQUIREMENTS ESTABLISHED BY THE MARIJUANA EDUCATIONAL OVERSIGHT COMMITTEE, ESTABLISHED PURSUANT TO SECTION 24-20-112 (4), AND ON THE RELEVANT

RESEARCH FROM THE PANEL OF HEALTH CARE PROFESSIONALS APPOINTED PURSUANT TO SECTION 25-1.5-110. NOTHING IN THIS SUBSECTION (3)(d) PROHIBITS A LOCAL JURISDICTION FROM ADOPTING ADDITIONAL REQUIREMENTS FOR EDUCATION ON SAFE CONSUMPTION.

- (e) Maintain a record of all educational materials required by subsection (3)(d) of this section in the licensed premises for inspection by state and local licensing authorities and law enforcement; and
- (f) If an emergency requires law enforcement, firefighters, emergency medical service providers, or other public safety personnel to enter a marijuana hospitality business, ensure that all employees and patrons of the business cease all consumption and other activities until such personnel have completed their investigation or services and have left the licensed premises.
- (4) A MARIJUANA HOSPITALITY BUSINESS AND ITS EMPLOYEES MAY REMOVE AN INDIVIDUAL FROM THE BUSINESS FOR ANY REASON, INCLUDING A PATRON WHO DISPLAYS ANY VISIBLE SIGNS OF INTOXICATION.
- 44-10-610. Retail marijuana hospitality and sales business license rules definition. (1) (a) The State Licensing authority may issue a retail marijuana hospitality and sales business license authorizing the licensee to operate a licensed premises in which marijuana may be sold and consumed pursuant to this article 10, rules promulgated pursuant to this article 10, and the provisions of the ordinance or resolution of the local jurisdiction in which the licensee operates.
- (b) Subject to provisions of this article 10 and the ordinance or resolution of the local jurisdiction in which the licensee operates, a retail food business as defined in section 25-4-1602 (14) that does not hold a license or permit issued pursuant to article 3, 4, or 5 of this title 44 may apply for a license to operate a retail marijuana hospitality and sales business in an isolated portion of the premises of the retail food business. A retail food business operating a retail marijuana hospitality and sales business pursuant to this subsection (1)(b) is subject to the terms and conditions of article 4 of title 25 and the rules promulgated

PURSUANT TO THAT ARTICLE, INCLUDING BUT NOT LIMITED TO LICENSURE REQUIREMENTS AND INSPECTION AND ENFORCEMENT AUTHORITY OF THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT. THIS SUBSECTION (1)(b) DOES NOT AUTHORIZE THE RETAIL MARIJUANA HOSPITALITY AND SALES BUSINESS TO ENGAGE IN THE MANUFACTURE OF MEDICAL MARIJUANA-INFUSED PRODUCTS OR RETAIL MARIJUANA PRODUCTS OR TO ADD MARIJUANA TO FOODS PRODUCED OR PROVIDED AT THE RETAIL FOOD BUSINESS.

- (c) The state licensing authority shall maintain a list of all retail marijuana hospitality and sales businesses in the state and shall make the list available on its website.
- (2) A RETAIL MARIJUANA HOSPITALITY AND SALES BUSINESS LICENSEE SHALL NOT:
- (a) ENGAGE IN MULTIPLE SALES TRANSACTIONS TO THE SAME PATRON DURING THE SAME BUSINESS DAY WHEN THE BUSINESS'S EMPLOYEE KNOWS OR REASONABLY SHOULD HAVE KNOWN THAT THE SALES TRANSACTION WOULD RESULT IN THE PATRON POSSESSING MORE THAN THE SALES LIMIT ESTABLISHED BY THE STATE LICENSING AUTHORITY;
- (b) ALLOW ON-DUTY EMPLOYEES OF THE BUSINESS TO CONSUME ANY MARIJUANA IN THE LICENSED PREMISES;
- (c) DISTRIBUTE OR ALLOW DISTRIBUTION OF FREE SAMPLES OF MARIJUANA IN THE LICENSED PREMISES OF THE BUSINESS;
- (d) Sell any retail marijuana or retail marijuana products that contain nicotine or, if the sale of alcohol would require a license or permit pursuant to article 3, 4, or 5 of this title 44, alcohol;
- (e) ALLOW THE CONSUMPTION OF ALCOHOL ON THE LICENSED PREMISES;
- (f) ALLOW THE SMOKING OF TOBACCO OR TOBACCO PRODUCTS IN THE LICENSED PREMISES OF THE BUSINESS;
 - (g) ALLOW THE USE OF ANY DEVICE USING ANY LIQUID PETROLEUM

PAGE 27-HOUSE BILL 19-1230

GAS, A BUTANE TORCH, A BUTANE LIGHTER, OR MATCHES IN THE LICENSED PREMISES IF PROHIBITED BY LOCAL ORDINANCE OR RESOLUTION;

- (h) ALLOW ANY ACTIVITY THAT WOULD REQUIRE AN ADDITIONAL LICENSE UNDER THIS ARTICLE 10 IN THE LICENSED PREMISES OF THE BUSINESS, INCLUDING BUT NOT LIMITED TO MANUFACTURING OR CULTIVATION ACTIVITY;
- (i) Knowingly Permit any activity or acts of disorderly conduct as described in Section 18-9-106;
- (j) Sell, serve, or permit the sale or serving of retail marijuana or retail marijuana products to any patron who shows signs of visible intoxication;
- (k) PERMIT ROWDINESS, UNDUE NOISE, OR OTHER DISTURBANCES OR ACTIVITY OFFENSIVE TO THE AVERAGE CITIZEN OR TO THE RESIDENTS OF THE NEIGHBORHOOD IN WHICH THE LICENSED PREMISES IS LOCATED; OR
- (l) Admit into the licensed premises of a retail marijuana hospitality and sales business any person who is under twenty-one years of age.
- (3) A RETAIL MARIJUANA HOSPITALITY AND SALES BUSINESS LICENSEE SHALL:
- (a) TRACK ALL OF ITS RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS FROM THE POINT THAT THEY ARE TRANSFERRED FROM A RETAIL MARIJUANA STORE, RETAIL MARIJUANA PRODUCTS MANUFACTURER, OR RETAIL MARIJUANA CULTIVATION FACILITY TO THE POINT OF SALE TO ITS PATRONS;
- (b) Limit a patron to one transaction of no more than the sales limit set by the state licensing authority by rule pursuant to section 44-10-203 (2)(ff)(II);
- (c) BEFORE ALLOWING A PATRON TO LEAVE THE LICENSED PREMISES WITH ANY RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS, PACKAGE AND LABEL THE RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS IN ACCORDANCE WITH PROCEDURES DEVELOPED BY THE BUSINESS THAT

COMPLY WITH THE REQUIREMENTS OF SECTION 44-10-203 (2)(f) AND (3)(b);

- (d) Operate the business in a decent, orderly, and respectable manner;
- (e) REQUIRE ALL EMPLOYEES OF THE BUSINESS TO SUCCESSFULLY COMPLETE AN ANNUAL RESPONSIBLE VENDOR TRAINING PROGRAM AUTHORIZED PURSUANT TO SECTION 44-10-1201;
- (f) Ensure that the display and consumption of any retail marijuana or retail marijuana product is not visible from outside of the business;
- (g) EDUCATE CONSUMERS OF MARIJUANA BY PROVIDING INFORMATIONAL MATERIALS REGARDING THE SAFE CONSUMPTION OF MARIJUANA. THE MATERIALS MUST BE BASED ON THE REQUIREMENTS ESTABLISHED BY THE MARIJUANA EDUCATIONAL OVERSIGHT COMMITTEE, ESTABLISHED PURSUANT TO SECTION 24-20-112 (4), AND ON THE RELEVANT RESEARCH FROM THE PANEL OF HEALTH CARE PROFESSIONALS APPOINTED PURSUANT TO SECTION 25-1.5-110. NOTHING IN THIS SUBSECTION (3)(g) PROHIBITS A LOCAL JURISDICTION FROM ADOPTING ADDITIONAL REQUIREMENTS FOR EDUCATION ON SAFE CONSUMPTION.
- (h) MAINTAINING A RECORD OF ALL EDUCATIONAL MATERIALS REQUIRED BY SUBSECTION (3)(g) OF THIS SECTION IN THE LICENSED PREMISES FOR INSPECTION BY STATE AND LOCAL LICENSING AUTHORITIES AND LAW ENFORCEMENT; AND
- (i) If an emergency requires law enforcement, firefighters, emergency medical service providers, or other public safety personnel to enter a retail marijuana hospitality and sales business, ensure that all employees and patrons of the business cease all sales, consumption and other activities until such personnel have completed their investigation or services and have left the licensed premises.
- (4) A RETAIL MARIJUANA HOSPITALITY AND SALES BUSINESS AND ITS EMPLOYEES MAY REMOVE AN INDIVIDUAL FROM THE BUSINESS FOR ANY REASON, INCLUDING A PATRON WHO DISPLAYS ANY VISIBLE SIGNS OF INTOXICATION.

(5) A RETAIL MARIJUANA HOSPITALITY AND SALES BUSINESS MAY PURCHASE RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS FROM ANY RETAIL MARIJUANA STORE, RETAIL MARIJUANA CULTIVATION FACILITY, OR RETAIL MARIJUANA PRODUCTS MANUFACTURER.

SECTION 21. In Colorado Revised Statutes, 44-10-701, amend as relocated by Senate Bill 19-224 (1)(a), (3)(d), and (3)(f) as follows:

- **44-10-701.** Unlawful acts exceptions. (1) Except as otherwise provided in this article 10, it is unlawful for a person:
- (a) EXCEPT IN THE LICENSED PREMISES OF A MARIJUANA HOSPITALITY BUSINESS LICENSED PURSUANT TO SECTION 44-10-609 OR A RETAIL MARIJUANA HOSPITALITY AND SALES BUSINESS LICENSED PURSUANT TO SECTION 44-10-610:
- (I) To consume regulated marijuana or regulated marijuana products in a licensed medical marijuana business or retail marijuana business; and it shall be unlawful OR
- (II) For a medical marijuana business or retail marijuana business to allow regulated marijuana or regulated marijuana products to be consumed upon its licensed premises;
 - (3) It is unlawful for a person licensed pursuant to this article 10:
- (d) To provide public premises, or any portion thereof, for the purpose of consumption of regulated marijuana in any form, EXCEPT IN THE LICENSED PREMISES OF A MARIJUANA HOSPITALITY BUSINESS LICENSED PURSUANT TO SECTION 44-10-609 OR A RETAIL MARIJUANA HOSPITALITY AND SALES BUSINESS LICENSED PURSUANT TO SECTION 44-10-610;
- (f) To have on the licensed premises any regulated marijuana or marijuana paraphernalia that shows evidence of the regulated marijuana having been consumed or partially consumed, except:
 - (I) If it is for purposes of recycling; OR
- (II) In the licensed premises of a marijuana hospitality business licensed pursuant to section 44-10-609 or a retail

MARIJUANA HOSPITALITY AND SALES BUSINESS LICENSED PURSUANT TO SECTION 44-10-610;

- SECTION 22. In Colorado Revised Statutes, 44-10-1201, amend as relocated by Senate Bill 19-224 (2)(b)(IV) and (2)(b)(V); and add as relocated by Senate Bill 19-224 (2)(b)(VI) as follows:
- 44-10-1201. Responsible vendor program standards designation. (2) An approved training program must contain, at a minimum, the following standards and be taught in a classroom setting in a minimum of a two-hour period:
- (b) A core curriculum of pertinent statutory and regulatory provisions, which curriculum includes but need not be limited to:
- (IV) Acceptable forms of identification, including patient registry cards and associated documents and procedures; and
- (V) Local and state licensing and enforcement, which may include but need not be limited to key statutes and rules affecting patients, owners, managers, and employees; AND
- (VI) INFORMATION ON SERVING SIZE, THC AND CANNABINOID POTENCY, AND IMPAIRMENT.
- SECTION 23. In Colorado Revised Statutes, 18-18-406, amend as added in section 9 of this act (5)(b)(IV) and (5)(b)(V) as follows:
- 18-18-406. Offenses related to marijuana and marijuana concentrate definitions. (5) (b) (IV) Public display, consumption, or use of marijuana or marijuana concentrate pursuant to the provisions of section 44-12-408 SECTION 44-10-609, when such display, consumption, or use is within the licensed premises of a marijuana hospitality establishment BUSINESS licensed pursuant to section 44-12-408 SECTION 44-10-609, is not a violation of this subsection (5).
- (V) Public display, consumption, or use of retail marijuana or retail marijuana concentrate pursuant to the provisions of section 44-12-409 SECTION 44-10-610, when such display, consumption, or use is within the licensed premises of a retail marijuana hospitality and sales establishment

BUSINESS licensed pursuant to section 44-12-409 SECTION 44-10-610 and when an individual's display, consumption, or use does not exceed the sales limit established by the state licensing authority by rule pursuant to section 44-12-202(3)(a)(XXV)(B) SECTION 44-10-203 (2)(ff)(II), is not a violation of this subsection (5).

SECTION 24. In Colorado Revised Statutes, 25-14-205, amend as added in section 10 of this act (1)(1) as follows:

- **25-14-205.** Exceptions to smoking restrictions. (1) This part 2 does not apply to:
- (l) If authorized by local ordinance, license, or regulation, the licensed premises of a marijuana hospitality establishment BUSINESS licensed pursuant to section 44-12-408 SECTION 44-10-609 or a retail marijuana hospitality and sales establishment BUSINESS licensed pursuant to section 44-12-409 SECTION 44-10-610; except that this exception only applies to the smoking of marijuana and does not allow the smoking of tobacco within such premises.
- **SECTION 25.** Appropriation. (1) For the 2019-20 state fiscal year, \$399,479 is appropriated to the department of revenue. This appropriation is from the marijuana cash fund created in section 44-11-501 (1)(a), C.R.S. To implement this act, the department may use this appropriation as follows:
- (a) \$316,090 for marijuana enforcement, which amount is based on an assumption that the department will require an additional 3.2 FTE;
 - (b) \$2,000 for tax administration IT system (GenTax) support;
 - (c) \$72,023 for the purchase of legal services;
 - (d) \$4,576 for the purchase of criminal history record checks; and
 - (e) \$4,790 for vehicle lease payments.
- (2) For the 2019-20 state fiscal year, \$72,023 is appropriated to the department of law. This appropriation is from reappropriated funds received from the department of revenue under subsection (1)(c) of this section and

is based on an assumption that the department of law will require an additional 0.3 FTE. To implement this act, the department of law may use this appropriation to provide legal services for the department of revenue.

- (3) For the 2019-20 state fiscal year, \$4,576 is appropriated to the department of public safety for use by the biometric identification and records unit. This appropriation is from reappropriated funds received from the department of revenue under subsection (1)(d) of this section. To implement this act, the unit may use this appropriation to provide criminal history record checks for the department of revenue.
- (4) For the 2019-20 state fiscal year, \$4,790 is appropriated to the department of personnel. This appropriation is from reappropriated funds received from the department of revenue under subsection (1)(e) of this section. To implement this act, the department of personnel may use this appropriation to provide vehicles for the department of revenue.
- SECTION 26. Act subject to petition effective date. (1) Except as otherwise provided in subsection (2) of this section, this act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.
- (2) Sections 12 through 24 of this act take effect January 1, 2020, only if Senate Bill 19-224 becomes law; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within the ninety-day period after final adjournment of the general assembly, then the act, item, section, or part will not take effect unless approved by the people at the

general election to be held in November 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

KC Becker

SPEAKER OF THE HOUSE OF REPRESENTATIVES Leroy M. Garcia PRESIDENT OF

THE SENATE

Marilyn Edding

CHIEF CLERK OF THE HOUSE OF REPRESENTATIVES

Circle of Markwell

Cindi L. Markwell SECRETARY OF THE SENATE

APPROVED

May 29, 2019 of (Date and Time)

Jared S. Polis

GOVERNOR OF THE STATE OF COLORADO